

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

LIMO HOSTING, INC., a )  
Florida corporation, OLEG )  
GRIDNEV, an individual, )  
Plaintiff(s), )  
v. )  
MIKAIL FIKS (aka "Mike )  
Fiks") d/b/a )  
"FIXEDSITES.COM", an )  
individual, and DOES 1-10. )  
Defendant(s). )

No. C 08-2474 BZ

**ORDER GRANTING IN PART AND  
DENYING IN PART DEFENDANT  
FIKS' MOTION TO DISMISS**

Defendant Fiks moves to dismiss the first and second causes of action in plaintiffs' amended complaint ("complaint")<sup>1</sup>, which allege statutory trademark infringement in violation of the Lanham Act, 15 U.S.C. § 1114<sup>2</sup>, and common

<sup>1</sup> All parties have consented to my jurisdiction, for all proceedings including entry of final judgment, pursuant to 28 U.S.C. § 636(c).

<sup>2</sup> 15 U.S.C. § 1114 (1)(a) creates civil liability in anyone who makes use in commerce of "any reproduction, counterfeit, copy, or colorable imitation of a registered mark" in connection with the sale of goods where such use "is likely

1 law trademark infringement, respectively.<sup>3</sup> Defendant asserts  
 2 that the mark "Limo Hosting" is a generic mark registered on  
 3 the supplemental register, which entitles plaintiffs to no  
 4 presumption of validity regarding plaintiffs' exclusive right  
 5 to use the mark in commerce and that plaintiffs have not  
 6 alleged any facts suggesting that the mark has acquired  
 7 "secondary meaning."

8 Taking the allegations of the complaint as true,  
 9 plaintiffs have adequately alleged that their mark has  
 10 acquired secondary meaning through many years of exclusive use  
 11 and advertising via the use of meta tags and search engine  
 12 optimization of web sites. (See Pl.'s Amend. Compl. ¶¶ 14-  
 13 16.) Plaintiffs have also alleged that their customers have  
 14 been confused about the source of materials bearing the mark  
 15 and that one of their customers asked plaintiffs whether they  
 16 had authorized the use of the mark to defendant. (See Pl.'s  
 17 Amend. Compl. ¶¶ 17-18.) Because plaintiffs have alleged  
 18 sufficient facts to plead secondary meaning, defendant's

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 22 to cause confusion, or to cause mistake, or to deceive."

23 <sup>3</sup> Plaintiffs' mark is listed on the supplemental  
 24 register. Registration of a mark on the supplemental register  
 25 confers no substantive trademark rights beyond those under  
 26 common law; therefore, plaintiffs' substantive trademark rights  
 27 are only those available under the common law. See Creagri,  
 28 Inc. v. Usana Health Scis., 2005 U.S. Dist. LEXIS 43196 \*9  
 (N.D. Cal. January 26, 2005) (citing In re American Fertility  
Society, 188 F.3d 1341, 1343 (Fed. Cir. 1999)); see also J.  
 Thomas McCarthy, McCarthy on Trademarks and Unfair Competition  
 § 19:36 (4th ed. 1999) ("Supplemental registration confers no  
 substantive trademark rights beyond those under common law.").

1 motion to dismiss plaintiffs' trademark claims is **DENIED**.<sup>4</sup>

2 Defendant next argues that the complaint fails to state a  
3 claim for trade dress infringement. To state a claim for  
4 trade dress infringement under the Lanham Act, plaintiffs must  
5 allege facts that demonstrate that their trade dress is (1)  
6 non-functional, (2) distinctive, and (3) is likely to be  
7 confused with defendant's product by members of the consuming  
8 public. Clicks Billiards, Inc. v. Sixshooters, Inc., 251 F.3d  
9 1252, 1258 (9th Cir. 2001); Nova Wines, Inc. v. Adler Fels  
10 Winery LLC, 467 F.Supp.2d 965, 975 (N.D. Cal. 2006). The  
11 Supreme Court has held that trade dress is "distinctive and  
12 capable of being protected if it *either* (1) is inherently  
13 distinctive *or* (2) has acquired distinctiveness through  
14 secondary meaning." Two Pesos, Inc. v. Taco Cabana, Inc., 505  
15 U.S. 763, 769 (1992) (emphasis in original).

16 Defendant asserts that plaintiffs' complaint is deficient  
17 because it fails to adequately plead how plaintiffs' trade  
18 dress is non-functional as well as how it is either inherently  
19 distinctive or has achieved secondary meaning.

20 "A product feature is functional if it is essential to  
21 the product's use or if it affects the cost and quality of the  
22 product." Rachael v. Banana Republic, 831 F.2d 1503, 1506 (9th  
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24 <sup>4</sup> Defendant's argument that plaintiffs failed to  
25 "explain if or how [defendants] supposedly used [p]laintiffs'  
26 trademark in commerce" is misguided. (Def.'s Mot. to Dismiss  
27 p.3.) The complaint alleges that defendant copied plaintiffs'  
28 website, and therefore their marks, and used the copied  
materials to do business on a commercial website. (See Pl.'s  
First Amend. Compl. ¶¶ 23, 29, 30, 34, 45.) This is  
sufficient. See Bosley Med. Inst., Inc. v. Kremer, 403 F.3d  
672, 677 (9th Cir. 2005).

1 Cir. 1987). Functional features are the "actual benefit" that  
2 a consumer wishes to purchase, as distinguished from an  
3 assurance that a particular entity made, sponsored, or  
4 endorsed a product. Rachel, 831 F.2d at 1506. "In  
5 determining functionality, a product's trade dress must be  
6 analyzed as a whole." First Brands Corp. v. Fred Meyer, Inc.,  
7 809 F.2d 1378, 1381 (9th Cir. 1987). Inquiry "is not directed  
8 at whether the individual elements are functional but whether  
9 the whole collection of elements taken together are  
10 functional." International Jensen v. Metrosound U.S.A., 4  
11 F.3d 819, 823 (9th Cir. 1993). Unique arrangements of "purely  
12 functional features" are a functional design not entitled to  
13 section 1125(a) protection. Rachel, 831 F.2d at 1506.

14 Functionality is a question of fact. Vision Sports, Inc.  
15 v. Melville Corp., 888 F.2d 609, 614 (9th Cir. 1989) (citing  
16 Clamp Mfg. Co. v. Enco Mfg. Co., 870 F.2d 512, 514 (9th Cir.  
17 1989)). Factors to consider include whether: (1) a particular  
18 design yields a utilitarian advantage; (2) alternative designs  
19 are available to avoid hindering competition; and (3) the  
20 design achieves economics in manufacture or use.  
21 International Jensen, 4 F.3d at 823.

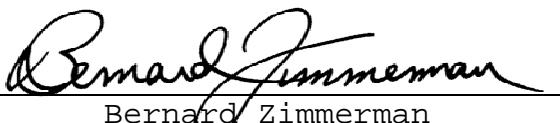
22 Here, the complaint lacks non-functionality factual  
23 allegations. In the complaint, plaintiffs state in conclusory  
24 fashion that they use a "unique combination of color, print  
25 type and layout in marketing materials" that is non-functional  
26 and that the trade dress is non-functional because "it is  
27 unique and it has been the subject of wide and intensive  
28 advertisement, and/or a combination of both." (Amd. Compl. ¶¶

94, 95.) Missing are factual allegations of non-functionality addressing such factors as utilitarian advantage, availability of alternative designs, and economies in manufacture or use. No picture of the trade dress is attached. Accordingly, defendant's motion to dismiss plaintiffs' fourth cause of action is **GRANTED**.

Finally, defendant argues that plaintiffs fail to state a claim for copyright infringement because they fail to allege when the infringement occurred. However, plaintiffs allege that the infringement occurred sometime prior to July 2007, and that defendant continues to infringe.<sup>5</sup> (See e.g., Pl.'s Amend. Compl. ¶¶ 29, 33.) Defendant's motion to dismiss plaintiffs' sixth cause of action is **DENIED**.<sup>6</sup>

Defendant shall answer by **January 7, 2009**.

Dated: December 17, 2008

  
Bernard Zimmerman  
United States District Judge

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<sup>5</sup> Defendant's argument that plaintiffs' descriptions of the copyrights are insufficiently pled also fails. Plaintiffs allege the identities of their copyrights, and also allege which websites they believe were infringed and which copyrighted sales pitches were allegedly infringed. These facts are sufficient to state a cognizable claim of copyright infringement.

<sup>6</sup> Defendant's request for sanctions is **DENIED**. To the extent that any party has unnecessarily multiplied these proceedings, it is defendant who has done so with the filing of such a specious sanctions motion.